

## Paying Commissions to an Unlicensed Business Entity

- In Georgia, it is a violation of GA Real Estate License Law to pay a commission to anyone for performing the services of a Real Estate Licensee if they have not first secured the appropriate license.
- However, a Brokerage Firm may pay a commission to a business entity that is not licensed by the Georgia Real Estate Commission, provided that the following conditions are met:

1. The commission was earned on behalf of the Firm, by a Licensee that is affiliated with the Firm.
2. The Licensee owns more than 20% interest in the unlicensed business.
3. The Firm obtains and retains written evidence that the Licensee owns more than 20% interest in the unlicensed business.
4. The Firm and the Licensee have a written agreement authorizing the payment to the unlicensed entity.
5. The unlicensed business receiving the commission does not perform real estate brokerage activity.

*For Reference, see OCGA Chapter 43-40-25(17)(C)*